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RR RUEHWEB

DE RUEHMU #0889/01 0992028
ZNR UUUUU ZZH
R 092028Z APR 07
FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC 9729
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 000889

SIPDIS

STATE FOR WHA/CEN GSCHIFFER, EB/IFD/OIA, L/CID AND WHA/EPSC
TREASURY FOR INL MDONOVAN AND GCHRISTOPOLUS, OWH/ASCHWARTZMAN
STATE PASS TO USTR

SENSITIVE BUT UNCLASSIFIED
SIPDIS

E.O. 12958: N/A

TAGS: EINV ECON EWWT USTR KIDE NU

SUBJECT: NICARAGUA: MARINA PUESTA DEL SOL, S.A. INVESTMENT PROPERTY

¶1. (SBU) Summary: On January 24 2007, a band of armed men forcibly assumed control of a strip of land owned by Marina Puesta del Sol, S.A. in the department of Chinandega. Ostensibly, the man behind the invasion is Mr. Jerez Lacayo, who has asserted ownership by virtue of a debt incurred by the spouse of a prior, but fraudulent, title holder. As of March of 2007, Marina Puesta del Sol, S.A. remains in legal limbo as a result of contradictory laws, judicial wrangling, and armed invasions. Catering to a wealthy clientele, the marina is increasingly well-known as a desirable stopping off point for sport fishing and as a final destination for seagoing journeys on the Pacific Coast of Central America. Post is closely following developments and has raised the issue with high ranking government officials. End Summary.

¶2. (SBU) On January 24 2007, a band of armed men forcibly assumed control of a strip of land owned by Marina Puesta del Sol, S.A. in the department of Chinandega. A promising marina and beachfront property, the investment represents a commitment to future tourism in Nicaragua. Amcit Roberto Membreño and son have invested ten million dollars, with plans to expand the hotel and marina. The invasion has put their expansion plans on hold.

Land Invasion

¶3. (SBU) Amcit Roberto Membreño, original investor and father of majority stockholder Amcit Mark Membreño, told Econoffs that Puesta del Sol purchased the property in question from the Augusto Cesar Sandino Cooperative in 2003. Shortly thereafter, a former Sandinista official named Larios appeared, claiming that the land belonged instead to a second cooperative named, interestingly enough, Augusto Cesar Sandino 2. After a brief legal investigation, Roberto Membreño ascertained that the recently created cooperative was headed by Josefa Dolores Bravo Baez, Larios' own spouse. Nicaraguan land cooperatives have historically suffered from checkered sales records, contentious litigation, and multiple ownership claims.

¶4. (SBU) Roberto Membreño claims that both the title and Augusto Cesar Sandino 2 cooperative are fraudulent. Representatives of the Augusto Cesar Sandino 1 cooperative promised to address the accusations to reconcile the problem. To date no resolution has been reached.

¶5. (SBU) Ostensibly, the man behind the invasion is Mr. Jerez Lacayo, who has asserted ownership by virtue of a debt incurred by Larios' wife, Josefa Dolores Bravo Baez, precipitating the transfer of the property to Jerez Lacayo. This claim on the land is what prompted Jerez Lacayo to occupy the land in January. In response, Roberto Membreño filed a grievance with local police. Two days later, the police persuaded the group occupying the land to leave, only to see them return several weeks later with a court lien

authorizing Jerez Lacayo to take possession. According to Roberto Membreño, the rationale behind the legal court order is derived from an August 2006 resolution awarding the property first to Ms. Bravo Baez and subsequently to Mr. Jerez Lacayo.

¶6. (SBU) As of March of 2007, Marina Puesta del Sol, S.A. remains in legal limbo as a result of contradictory laws, judicial wrangling, and armed invasions. Despite a February 2007 nullification order filed by Marina Puesta del Sol, S.A., control of the crucial strip of land is in the hands of heavily-armed invaders. Claiming irregularities and fraudulent judicial procedures, Marina Puesta del Sol officials insist that at no time were they properly notified nor given the opportunity to file a timely appeal. Post is closely following developments and has raised the issue with high ranking government officials.

The Investment

¶7. (SBU) Marina Puesta del Sol is a fairly high profile foreign investment in Nicaragua's fledgling tourist sector, having been featured in yachting and travel magazines. Currently the marina offers a 19-room boutique hotel and docking facilities for at least 28 oceangoing yachts. The design calls for expanding the number of rooms and docking facilities. Catering to a wealthy clientele, the marina is increasingly well-known as a desirable stopping off point for sport fishing and as a final destination for seagoing journeys on the Pacific Coast of Central America.

¶8. (SBU) Not quite contiguous to the yacht marina and boutique hotel, the invaded strip of land is at a higher elevation than the marina, situated in the nearby small town of Aposentillo, also in the northwest department of Chinandega. Strategic to the success of Puesta del Sol's investment, the invaded property is where Membreño built his fresh water storage and supply station, without which the marina cannot function. Membreño said that plans also call for a seven million dollar investment to build a private airstrip on the contested strip of land.

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